

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
OF THE STATE OF TENNESSEE**

**IN THE MATTER OF:**

**FARMERS MUTUAL FIRE INSURANCE COMPANY  
OF WARREN COUNTY**

**No.: 08-113**

---

**ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVES**

---

Pursuant to TENN. CODE ANN. §§ 56-22-101, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance ("Division") has examined certain affairs of Farmers Mutual Fire Insurance Company of Warren County ("Company"), a county mutual insurance company insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31<sup>st</sup> day of December, 2006, the examiner-in-charge filed with the Division, on the 2<sup>nd</sup> day of June, 2008, a verified, written report on the examination, and a copy of that report has been sent to Farmers Mutual Fire Insurance Company of Warren County. (The Report on Examination of Farmers Mutual Fire Insurance Company of Warren County is attached hereto as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to TENN. CODE ANN. § 56-1-411, said examination report regarding the affairs of Farmers Mutual Fire Insurance Company of Warren County filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 2<sup>nd</sup> day of June, 2008, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-105(c) by taking steps to establish and maintain a surplus of at least Two Hundred Thousand Dollars (\$200,000).

2. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-110 by obtaining an aggregate excess of loss reinsurance policy of an amount not less than five percent (5%) of business in force, reduced by the Company's accumulated surplus.
3. The Company is **DIRECTED** to comply with TENN. CODE ANN. § 56-22-113 by requiring all persons who sell, solicit or negotiate insurance for the Company to hold an insurance producer license for property insurance in accordance with TENN. CODE ANN. § 56-6-107.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Farmers Mutual Fire Insurance Company of Warren County for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directives merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

**ENTERED** this the 24<sup>th</sup> day of June, 2008.

Leslie A. Newman  
Leslie A. Newman, Commissioner  
Department of Commerce and Insurance  
State of Tennessee

**PREPARED FOR ENTRY:**

A handwritten signature in dark ink, appearing to read 'Karen L. Heidel', is written over a horizontal line.

Karen L. Heidel (BPR # 024484)

Staff Attorney

Tennessee Department of Commerce and Insurance

500 James Robertson Parkway


Davy Crockett Tower, Twelfth Floor

Nashville, Tennessee 37243

(615) 741-2199

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, James T. Pearce, Examiner-in-Charge, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Farmers Mutual Fire Insurance Company of Warren County, at the address of 671 River Cliff Road, McMinnville, Tennessee 37111; on this the 26<sup>th</sup> day of June, 2008.

  
\_\_\_\_\_  
Karen L. Heidel  
Certifying Attorney